

Amendment No. 8 to HB1781

**Odom
Signature of Sponsor**

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Date _____

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Comm. Amdt. _____

AMEND Senate Bill 349*

House Bill 1781

by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION _____. Tennessee Code Annotated, Title 56, is amended by adding the following as a new section:

Section _____.

(a) The general assembly hereby declares that as a matter of public policy, the primary source of health insurance for employed individuals should be an employer sponsored health insurance plan. Furthermore, the general assembly declares that it is a taxable privilege for an employer to conduct business in this state without providing employer sponsored health insurance coverage to the employer's employees who are employed in Tennessee and their spouses and dependents.

(b)

(1) There is levied a tax of two percent (2%) on the gross receipts of any employer who conducts business in this state without providing an employer sponsored health insurance plan to the employer's employees who are employed in Tennessee and their spouses and dependents.

(2) The tax is due on the last day of each month and shall be paid to the department of revenue on forms developed by the department. Taxes may be submitted electronically with the

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permission of the department of revenue and as in accordance with law.

(3) Delinquent tax penalties and interest shall be assessed in accordance with the provisions of Tennessee Code Annotated, Title 67, in the same manner and amount that are assessed for delinquent sales and use taxes.

(c) For the purpose of this section, an employee or the employee's spouse or dependents are deemed covered if they have obtained employer sponsored health insurance coverage from a source other than the employer, unless the coverage is obtained under the state's TennCare program.

(d) The provisions of this section shall apply on and after January 1, 2002 to all employers with twenty-five (25) employees or more in Tennessee.

(e) The provisions of this section shall only apply to employers with twenty-five (25) employees or more in Tennessee.

(f) The Departments of Revenue and Commerce and Insurance are authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

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(g) If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to that end the provisions of this section are declared to be severable.